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# Glossary

Accrual Basis	A basis of accounting in which transactions are recognized at the time they are incurred, as opposed to when cash is received or spent.
Action Plan	Action or project plans define who is going to do what, by when, to carry out the program goals. Project plans are the responsibility of program managers so routine reporting is not required.
Activity	A significant element of a department's program responsibilities. Normally administered by a section supervisor, a program activity merits clear-cut identification and budgetary consideration.
Agency	A governmental unit outside county government receiving county funding (e.g., Intergovernmental Resource Center, Air Pollution Control, or Southwest Washington Health District).
Appropriation	Authorization to spend money within a specified dollar limit for an approved work program. The Board of Commissioners makes separate appropriations to personnel services, operating expenses and capital outlay for each department in the County.
Assessed Valuation	The valuation set upon real estate and certain personal property by the Assessor as a basis for levying property taxes.
Asset	Resources owned or held by a government, which have monetary value.
Basis of Accounting	Determines when revenues and expenditures are recognized for the purposes of budget control and financial reporting. Accounting on a "cash basis" means that revenues and expenditures are recorded when cash is actually received or paid out.
Bond Refinancing	The payoff and re-issuance of bonds, to obtain better interest rates and/or bond conditions.
Bonds	A certificate of debt issued by a government or corporation, guaranteeing payment of the original investment plus interest by a specified future date.
Budget	A plan of financial activity for a specified period of time (fiscal year or biennium) indicating all planned revenues and expenses for the budget period.
Budget Calendar	The schedule of key dates which a government follows in the preparation and adoption of the budget.
Business & Non-Business License	Licenses issued in connection with regulation of private activity in the areas of health, safety, or protection, and include the costs of administrative paperwork, inspection services, and benefits bestowed upon the licensee.
Capital Assets	Assets of significant value and having a useful life of several years. Capital assets are also called fixed assets.
Capital Budget	The budgeted appropriation of funding for capital improvements. Project appropriations are normally only for the amount necessary to enable the implementation of the first year of the capital project. Future appropriations are an element of the Capital Improvement Plan.
Capital Improvement Plan	The long-term six-year plan for capital expenditures for public facilities and infrastructure (buildings, roads, etc.). The CIP is presented as a plan of work and proposed expenditures, and is the basis for the development of the Capital Budget.
Capital Outlay	Fixed assets that have a value of \$5,000 or more and have a useful economic lifetime of more than one year. Examples of capital outlay items are service vehicles, heavy equipment and building improvements.

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Capital Project	Major construction, acquisition, or renovation activities that add value to a government's physical assets or significantly increase their useful life. Also called capital improvements.
Capital Reserve	An account used to segregate a portion of the government's equity to be used for future capital program expenditures. The amount of capital reserve is roughly equal to the government's annual equipment depreciation and an amount identified as being needed for future capital acquisition.
Cash Basis	A basis of accounting in which transactions are recognized only when cash is increased or decreased.
Consumer Price Index (CPI)	A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living (i.e., economic inflation).
Contingency	A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.
Cost-of-Living Adjustment (COLA)	An increase in salaries to offset the adverse effect of inflation on compensation.
Debt Service	The annual payment of principal and interest on the County's bonded indebtedness. Bonds are issued to finance the construction of capital projects such as public buildings, roads and sewers.
Deficient	Inadequate in amount or degree; insufficient.
Demand Indicators	Quantifiable elements driving or causing a department's volume of work.
Department	Basic organizational unit of government which is functionally unique in its delivery of services. For example, the Assessor's Department is responsible for appraising the value of County property for tax purposes. The Treasurer's Department is responsible for collecting the taxes after the appraisal has been made.
Department/Division	A department is a distinct organizational or budgetary unit within the County, typically reporting to an elected official or department head. In certain cases, departments are actually divisions of larger "super-departments," which encompass an entire function. For example, the Planning Division, which is treated in the budget process as a department, is part of the Department of Community Development, which includes the entire Community Development function.
Depreciation	Expiration in the service life of capital assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy or obsolescence.
Direct Debt	Debt for which the County has pledged its "full faith and credit". It does not include the debt of overlapping jurisdictions such as separate school or sewer districts.
Distinguished Budget Presentation Awards Program	A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.
Division	A major organizational unit within a department or office. Usually divisions are responsible for carrying out a major component of department/office responsibilities.
Efficiency Performance Measure	An efficiency performance measure is a measurement of process. It reflects the relationship between work performed and the resources required performing it.
Enterprise Fund	Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services.
Expenditure	An item of business outlay which is chargeable against revenue for a specific period, usually one fiscal year. Examples of expenditures include salaries and wages or purchases of supplies and services. By law, the County's total expenditures may not exceed its total revenues.
Expense	Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or

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	other charges.
Fees	A general term used for any charge levied by government for providing a service, permitting an activity, or imposing a fine or penalty. Major types of fees include motor vehicle fees, user charges and Court costs. Fees are sometimes included in the broader context of "user charges."
Fiscal Policy	County government's policies with respect to taxes, spending and debt management as these relate to government services, programs and capital investment. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government budgets and their funding.
Fiscal Year	A twelve-month period designated as the operating year for accounting and budgeting purposes in an organization.
Fixed Assets	Assets of long-term character that are intended to continue to be held or used, such as land, buildings, machinery, furniture, and other equipment.
Fringe Benefits	These include social security, retirement, group health and life insurance for the County's full-time employees.
Full-Time Equivalent Position (FTE)	A part-time position converted to the decimal equivalent of a full-time position based on 2,080 hours per year. For example, a part-time typist working for 20 hours per week would be the equivalent to .5 of a full-time position.
Function	Functions are the broadest grouping of Clark County government services. Functions usually contain multiple departments or programs. Current functions in Clark County include Public Works, Community Development, Community Services, Law & Justice, General Government, Internal Support, and Fiscal Entities.
Fund	An independent fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of recording revenues and expenditures for a specific set of activities.
Fund Balance	The excess of the fund's assets over its liabilities as measured at the year-end. A negative fund balance is called a deficit.
GAAP	General Accepted Accounting Principles. Uniform minimum standards for financial accounting and recording, encompassing the conventions, rules, and procedures that define accepted accounting principles.
General Fund	A fund used to account for revenues that are not designated for a specific purpose. It is used to finance most of the County government's administrative activities, including all departments headed by elected officials, the court system and most law enforcement activities.
General Obligation (G.O.) Bond	This type of bond is backed by the full faith, credit and taxing power of the government.
Goal	A goal is the overriding purpose of a program directed toward an identified community need, and is consistent with the County-wide organizational strategy statement. Goals are typically broad, timeless, and are not in and of themselves directly measurable. A goal statement should contain an action verb, such as "to manage," "to operate," or "to assist."
Government Funds	Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the general fund, special revenue funds, debt service funds, capital projects funds, and permanent funds.
Grants	A contribution by a government or other organization to support a particular function. Grants may be classified as either operational or capital, depending upon the grantor.
Indirect Cost	Assignment of cost charges made to special revenue funds as a contribution to the General Fund in return for general government services such as accounting, purchasing and personnel which are necessary to support the special funds' operations.

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Infrastructure	The physical assets of a government (e.g., streets, water, sewer, public buildings and parks).
Interfund Transfers	The movement of monies between funds of the same governmental entity including transfers, internal service payments, capital contributions, and loans. These transactions record the movement of money between funds, in effect, money the County pays itself. Internal (inter-fund) transactions represent non-cash expenditures and non-cash revenue when the County budget is viewed as a whole, because no cash enters or leaves the County.
Intergovernmental Revenue	Funds received from federal, state and other local government sources in the form of grants, shared revenues, and payments in lieu of taxes.
Internal Service Fund	These funds account for goods or services to other departments or agencies on a cost-reimbursement basis.
Internal Transactions	Synonymous with Inter-fund Transactions
Long-Term Debt	Debt with a maturity of more than one year after the date of issuance.
Modified Accrual Basis of Accounting	A hybrid basis of accounting typically employed by governments. As with the accrual basis, revenue and operating expense transactions are recognized when they are incurred, as opposed to when cash is received or spent. Capital expenditures, however, are recognized at the time of the purchase, or outlay of cash.
Net Direct Debt	Direct debt minus self-supporting debt. An increase in net direct, long-term debt as a percentage of assessed valuation can indicate that the County's ability to repay is diminishing. This assumes that the County depends on the property tax to pay its debts. For a debt that is dependent on other taxes such as a sales tax, the increase in long-term debt should be calculated as a percentage of the other revenue source or its base, as appropriate.
Objective	A program objective is an operationalized statement of a program goal, containing specific descriptions of desired results. An objective states a result in which the achievement is measurable within a given time frame and cost parameter. Objectives usually contain verbs such as "increase," "improve," "reduce," or "maintain."
Operating Budget	A comprehensive plan, expressed in financial terms, by which an operating program is funded for a single fiscal year. It includes estimates of a) the services, activities and sub-activities comprising the operation; b) the resultant expenditure requirements; and c) the resources available for their support.
Operating Expense	Those costs other than expenditures for fixed assets that are necessary to support the primary services of the organization. For example, telephone charges, printing and office supplies are operating expenses.
Operating Revenue	Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.
Overall Debt	Direct debt plus overlapping debt. It measures the total debt for comparison against the total assessed valuation of the County.
Overlapping Debt	The proportionate share of the debts of local governments located wholly or in part within the limits of this reporting government, which must be borne by property within each governmental unit.
Performance Measure	The reporting of data to determine how effective or efficient a program is in achieving its objectives.
Productivity Improvement	An activity devised to achieve greater quantity and /or better quality services for the same or lower level of resources, or to achieve the same quantity or quality of service with fewer resources.

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Program	Programs are specific functions within departments or divisions. Programs meet the following criteria: they are the object of the expenditure of County resources (staff time, capital purchases, etc.); they are provided directly by the County, or in partnership with others; they focus on meeting one set of needs, implementing one set of regulations, or serving one group of customers; they are distinct enough to classify as having one purpose, either mandatory, essential, basic support, or discretionary; they are distinct enough to classify the scope as regional, local, or internal; and they are distinct enough to have a unique set of performance measures.
Proprietary Fund	Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.
Public Sector Budgeting (PSB)	New, Oracle-based computer system that is used by the County to prepare its budget. The system was successfully installed during the 2003-04 biennium.
Reserve	An account used either to set aside budgeted revenues that are not required for expenditure in the current budget year or to earmark revenues for a specific future purpose.
Resolution	A special or temporary order of a legislative body; an order of a legislative body requiring less legal formality than an ordinance or statute.
Resource	Units of physical input such as work years or work hours or number of parks. Also, dollar units of cost input such as salaries and wages, materials or equipment.
Revenue	Income received by the County government in support of the government's program of services to the community. It includes such items as property and sales taxes, fees, user charges, grants and fines.
Revenue Bond	This type of bond is backed only by the revenues from a specific enterprise or project, such as a hospital or toll road.
Salaries and Wages	A majority of County employees are paid an annual salary based on a monthly rate for the standard work year consisting of 2,080 hours. Some types of positions are paid wages based on an hourly rate.
Self-Supporting Debt	Debt for which the County has pledged a repayment source separate from its general tax revenues. An example of self-supporting debt is a water bond that is repaid from the income of the water utility. Other examples are revenue bonds in general, special assessment bonds, or bonds that are repaid from a separately established sinking fund.
Service Level	Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.
Source of Revenue	Revenues are classified according to their source or point of origin.
Special Revenue Fund	Funds used to account for resources which are designated to be used for specified purposes. For example, most programs funded by grant monies must be established as special revenue funds.
Standard Metropolitan Statistical Area (SMSA)	The US Office of Management and Budget (OMB) defines metropolitan areas (MAs) according to published standards applicable to Census Bureau Data. A metropolitan statistical area is a core area containing a large population nucleus of at least 50,000 people, together with adjacent communities having a high degree of economic and social integration with that core.
Supplemental Appropriation	An appropriation by the Board of County Commissioners after the initial appropriation for the final budget has been approved. Elected officials and department heads may recommend the approval of additional funds and specify the source of funds. All supplemental appropriations must be advertised for two consecutive weeks in the community newspaper and approved in public hearing.
Supplemental Requests	Programs and services which departments would like to have added (in priority order) over their

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	target budget, or in recognition of revenue that is greater than anticipated.
Taxes	Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the people. This term does not include specific charges made against particular persons or property for current or permanent benefit, such as special assessments.
User Charge	The amount the government receives for the provision of services and commodities, or the performance of specific services benefiting the person charged. User charges tend to be voluntary in nature, in contrast to mandatory property and sales taxes. Citizens only pay user charges when a specific service is received.
Workload Measures	Amount of work performed or the amount of services delivered.